



BRIEFING: JUNE 3, 2014 BOARD MEETING AGENDA ITEM #7

TO: Chairman Richard and Board Members

FROM: Diana Gomez, Central Valley Regional Director

DATE: June 3, 2014

RE: Consider Amending the San Jose to Merced Project Section Regional Consultant Contract with Parsons Transportation Group, Inc. for Time and Value

Background

Parsons Transportation Group (PTG) is the Regional Consultant (RC) for the San Jose to Merced project section and is also advancing work for environmental clearance of the Central Valley Wye alternatives. The contract with PTG was awarded on December 4, 2008 after completion of a procurement process managed directly by Authority staff and consistent with the State's competitive Architectural & Engineering (A&E) procurement process. Proposals were evaluated by a team of Authority staff as well as staff from other state departments with contracting experience who evaluated the statements of qualification and made recommendations to the Authority. This contract, as with all of the Authority's A&E contracts, contains a 30-day termination clause.

The original contract value was \$55 million for preliminary engineering and project-specific environmental work. The contract has been subsequently amended due to modifications and refinement of the scope of work so that the existing contract value is \$64.3 million (refer to #HSRA 13-05). The amendment was based on the preliminary assumption that four alternatives would be studied in the environmental clearance process and would be included in Checkpoint B for consideration by the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (USACE). The purpose of Checkpoint B is to identify project alternatives that will be evaluated in the draft environmental evaluation documentation for the San Jose to Merced Section of the California High-Speed Rail System. Subsequent to the approval of this amendment, and as a result of public input, the Authority conducted additional public outreach resulting in modification of alternatives to address concerns from the local community and state and federal regulatory agencies. The additional public outreach resulted in additional engineering and environmental work, increasing the overall cost and delaying the submission of the Checkpoint B document. This shift in overall costs, though not originally contemplated when the RC contract was awarded in 2008, is consistent with the cost projections contained in the 2014 Business Plan.

Further, in response to the first draft of the Checkpoint B document the EPA and USACE requested additional studies be completed, which also affected the project schedule and budget. As of the end of fiscal year 2013-2014, \$2.3 million remains in contract capacity on the San Jose to Merced project section. The PTG contract expires on June 30, 2014.

The contract is based on an annual work plan and the RC only performs duties that the Authority has agreed to by approval of its Annual Work Program (AWP). Staff has determined that work under the AWP can be completed in the most efficient and cost effective manner by PTG. The Board's policies dictate that the Board approval is required for an amendment to this contract.

Discussion

The contract with PTG is an A&E contract as defined in Government Code, Section 4525 and, therefore, extending this contract through the amendment process is within the Board's scope and will not require approval by the Department of General Services pursuant to Section 11.0 of the State Contracting Manual (SCM).

Because of the additional time and resources expended to complete public outreach and refine alternatives to address local and state and federal agency concerns, staff recommends amending the contract with PTG on the San Jose to Merced project section to increase contract capacity by \$8.94 million and extend the duration for two (2) years, through June 30, 2016 to address the additional costs required to complete the study of the Wye alternatives in the environmental clearance process to facilitate the extension of the Initial Operating Segment north to Merced. These increased funds are a shift from one project section (Merced-Fresno) to another (San Jose to Merced), and thus do not amount to any increase in costs of the project. Again, these costs are consistent with the projections contained in the 2014 Business Plan. The proposed amendment would cover the following services:

- Environmental clearance analysis
- Stakeholder engagement activities
- 15% Preliminary Engineering
- Coordination with public agencies

Extending the current contract will enable the Authority to retain the team's expertise and experience, maintain continuity and momentum for completing this work, and allow an effective transition. It is important to note that this extension is based on producing specific deliverables, work product, and project milestones.

This recommendation considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, potential conflicts of interest, loss of institutional knowledge, and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Assistant Chief Program Manager, Chief Financial Officer, Regional Directors, Legal Counsel, and Risk Manager.

This amendment would extend the contract duration for two (2) years and allow for an additional \$8.94 million to be added to the current contract capacity, for a total contract not to exceed \$73.3

million. The amendment also includes the Board's 30 percent goal for Small Business Utilization.

Recommendation

Staff recommends that the Board approve a contract amendment with PTG for an additional \$8.94 million to be added to the current contract capacity, for a total contract not to exceed \$73.3 million and for two (2) additional years, through June 30, 2016.

PROJECT SECTION				FIRM	CURRENT TERM	AMENDED TERM	CURRENT REMAINING CONTRACT CAPACITY	AMENDED CONTRACT CAPACITY
San	Jose	to	PTG		6/30/2014	6/30/2016	\$2,300,000	\$73,300,000
Merced								

Attachment

- Resolution # HSRA 14-17